



HEALTH CARE FACTS

Seniors

In March 2010, the Patient Protection and Affordable Care Act became law ([PL 111-148](#)). This law makes historic reforms to our health care system. For **SENIORS**, health care reform:

- ✓ **Provides for free wellness visits each year**
- ✓ **Closes the donut hole**
- ✓ **Reforms Medicare Advantage**

Provides for free wellness visits each year

The 1.4 million Medicare beneficiaries in North Carolina will be eligible for a free, annual wellness visit and no cost-sharing for prevention services.

Closes the donut hole

Each year, 247,000 North Carolina seniors hit the Medicare Part D “donut hole.” For 2010, Health Care Reform provides a \$250 rebate check for all seniors who enter the donut hole. Currently, the coverage gap falls between \$2,830 and \$6,440 in total drug spending.

In 2011, health care reform institutes a 50% discount on brand-name drugs and begins generic coverage in the donut hole. Coverage in the donut hole is phased in (see below) and completely filled in by 2020.

% coinsurance as the donut hole is filled:

Year	Coinsurance paid by beneficiary	
	Generic	Brand
2011	93%	50%
2012	86%	50%
2013	79%	47.5%
2014	72%	47.5%
2015	65%	45%
2016	58%	45%
2017	51%	40%
2018	44%	35%
2019	37%	30%
2020+	25%	25%

Reforms Medicare Advantage

Health care reform gradually moves to a fairer payment system for private insurance companies that participate in Medicare Advantage. This will encourage greater efficiency and competition among Medicare Advantage plans. Such changes will lower Medicare costs for the 1.2 million North Carolina seniors *not* enrolled in Medicare Advantage, by as much as \$45 in premiums each year.

Health Care Reform also requires that Medicare Advantage plans spend at least 85% of their revenue on medical costs (medical loss ratio).

The non-partisan Congressional Budget Office analysis confirms that health care reform reins in wasteful spending to extend the solvency of Medicare for almost 10 years.